As the state responds to the spread of the COVID-19 pandemic, policymakers should consider bold actions to ensure the state’s unemployment insurance (UI) program is equipped to support workers and their families. The UI system has long served as a critical tool to reduce the impacts of economic downturns. With some changes, UI can similarly support workers and businesses that are feeling the impact of COVID-19.

On March 12, the U.S. Department of Labor issued new guidance that allow states greater flexibility in utilizing the UI system to mitigate the impacts of the coronavirus. This guidance included clear direction that states can provide UI benefits to workers where: (1) an employer temporarily ceases operations due to COVID-19, preventing employees from coming to work; (2) an individual is quarantined; or (3) an individual leaves work due to risk of exposure or to care for a family member. Furthermore, USDOL clarified that an official layoff does not have to take place for the worker to be eligible for UI benefits.

Given this guidance, the state should consider several modifications to its UI program.

**Allow UI for Quarantined Workers**

Montana has not enacted state paid sick laws, leaving many workers with a near impossible choice of taking care of themselves or their family or losing their job. Workers who may be sick but cannot afford to stay home risk further spreading COVID-19 throughout communities. Montana should extend UI benefits for workers who have been quarantined or who are caring for a family member who is quarantined. This would ensure a worker feels comfortable taking care of themselves and family and reduces the spread of the virus.

**Allow UI for Workers Caring for Family Members**

Workers impacted by the emergency may need to leave work to care for sick family members or children whose school has closed. On March 15, Governor Steve Bullock directed public schools to close to further reduce the spread of COVID-19, leaving many families struggling to care for young children while also making ends meet. For those parents who lack paid leave or cannot work remotely, the state should ensure these workers can care for their families and access UI benefits.

**Changes to UI are important step, but not the only step the state should take.** Montana policymakers should also consider changes to other social safety net programs to respond to COVID-19 pandemic. This includes:

- Suspend work requirements for SNAP and TANF recipients;
- Moratorium on TANF sanctions and terminations;
- Adjust income eligibility calculations to include only continuing income; and
- Waive limitations on absences for child care subsidies and provider payments.
Waive the One-Week Waiting Period

Montana’s current UI system requires workers applying for UI benefits to wait for one week before accessing those benefits. Many states have eliminated this one-week waiting period, recognizing that it does nothing to help a worker cope with a layoff and get back to work. Montana should permanently eliminate this requirement, allowing eligible workers to access benefits.

Waive Work Search Requirements

Montana should consider suspending current work search requirements during the period of time a state of emergency has been declared by the state. Workers who have been quarantined or are caring for sick family members or children may not be able to meet work search requirements. Furthermore, many workers may still be attached to their employer, but unable to work due to reduced hours, quarantining, or caring for family. Furthermore, searching for work during a pandemic could increase health risks for the public. Workers living on lower wages are more likely to rely on public transportation, which has been discontinued in many Montana communities. Access to online work search databases is often conducted in public libraries, of which many may be closing or reducing hours.

Clarify that UI Claims Related to COVID-19 Will Not Count Against Employers’ “Experience Rating” and Result in Increased UI Taxes

During the COVID-19 pandemic, Montana should waive any UI tax increases on businesses. Montana businesses that are forced to lay off workers as a result of the pandemic could face a decrease in their rating and increased fees under the UI system. Montana has the ability to waive these rate increases during the health emergency which would support businesses’ decisions to allow workers to quarantine or care for family.

Conclusion

The Unemployment Insurance program is a critical safety net for economic downturns or health emergencies such as COVID-19. Montana should act quickly to adjust the program to ensure that it works for workers and families negatively impacted by COVID-19 pandemic.